

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 143 - HB 729

March 10, 2009

SUMMARY OF BILL: Requires the Division of Mental Retardation Services to adopt a payment methodology which increases the salaries for direct care staff to be at least commensurate with those paid at the developmental centers. The methodology will be phased in over a period of three years.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures –

**\$12,165,400/FY09-10 and Subsequent Years
\$12,165,400/FY10-11 and Subsequent Years
\$12,165,400/FY11-12 and Subsequent Years**

Increase Federal Expenditures –

**\$34,874,100/FY09-10 and Subsequent Years
\$34,874,100/FY10-11 and Subsequent Years
\$34,874,100/FY11-10 and Subsequent Years**

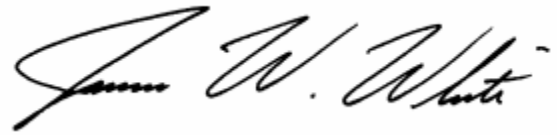
Assumptions:

- According to DMRS, there are approximately 18,537 full-time direct care staff equivalents providing service, 40 hours per week, 52 weeks a year for \$8.50 per hour.
- The average hourly salary at DMRS Developmental Centers is \$12.16.
- The difference between salaries is \$3.66 (\$12.16 - \$8.50) per hour.
- For the salary increase to be phased in over a three year period, each employee will receive a \$1.22 (\$3.66/3) increase per hour each year resulting in an increase in recurring expenditures of \$47,039,491 (18,537 x 40 x 52 x \$1.22) each year for three years.
- Waiver programs administered by the Division of Mental Retardation Services (DMRS) are funded through interdepartmental funds from TennCare and receive federal matching funds.

- Of the \$47,039,491, \$12,165,353 will be state funds at a rate of 25.862 percent and \$34,874,138 will be federal funds at a match rate of 74.138 percent.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly legible, and "W." in the middle.

James W. White, Executive Director

/kml